

Unitil Energy Systems, Inc.
Docket No. DE 13-084
Record Request

Received: April 15, 2013
Record Request No. 1

Date of Response: April 16, 2013
Witness: Laurance M. Brock

Record Request No. 1:

- a) Please explain the terms “regular pay”, “exempt” and “non-exempt” as used in Mr. Brock’s testimony [Brock Testimony page 5 of 8, L.4-5]
- b) Please clarify the compensation received by exempt employees for work performed during a major storm.

Response:

- a) Terms:
 - i. Regular pay pertains to the rate of pay received by an employee during normal working hours. Amounts expended by UES for regular pay to UES crews during the storm event are charged to Construction Work Orders and become capitalized to construction for utility plant units replaced during the storm restoration effort. Referring to schedule LMB-1 amounts of regular pay would be included on line 2 and summarized into total expenditures as shown on line 5. The amounts capitalized to construction are shown on line 6. Line 6 is then subtracted from line 5 and the net amount on line 7 is the total deferred cost to be included in the Storm Recovery Adjustment Factor. Therefore regular pay is not recovered through the Storm Recovery Adjustment Factor. Amounts capitalized to construction during Hurricane Sandy will be recovered through a future base rate process as utility plant additions since the last rate case are considered as additions to rate base.
 - ii. Exempt refers to a classification of employee where the employer is not required to pay them overtime pay. At Unitil, these employees are usually salaried employees.
 - iii. Non-exempt refers to a classification of employee where the employer is required to pay them overtime pay. At Unitil, these employees are usually paid an hourly rate multiplied by the hours worked.
- b) When employees are called upon to assist a restoration effort during a major storm, only pay above the normal 40 hour work week is included in the deferred costs Unitil Energy Systems, Inc. is petitioning for recovery.
 - i. Please see Record Request 1 Attachment 1 for a copy of Unitil’s system policy concerning storm pay for exempt employees.



Subject: System Policy - Human Resources
Storm Pay for Exempt Employees

Policy Number HR 1.50 (G)

To: All System Employees

From: George E. Long, Jr.

Effective: October 3, 2012
Supercedes HR 1.50 (G) 1/1/12

PURPOSE

This policy allows the company to compensate certain exempt employees for extended hours of work in special circumstances.

ELIGIBILITY

Employees working in jobs which are grades 14 through 18 will be eligible for additional compensation under this policy when a System Emergency is declared by the Chief Operations Officer.

POLICY

During a declared System Emergency, all eligible exempt employees assigned to work directly on the emergency will receive straight time pay for all hours worked outside their normal 40 hour schedule, not to exceed a total of 16 hours per day. These hours will be documented by the Operations Manager and approved by the Chief Operations Officer for payment.

Storm Pay will not be included in determining eligibility for any benefits which are based upon salary.

MUTUAL ASSISTANCE

Employees in jobs graded 14 and above providing emergency assistance to other utilities through mutual aid agreements or intercompany mutual assistance requests will receive straight time pay for all hours worked over 40 hours in a workweek (Sunday through Saturday) including travel time, plus a daily stipend of \$300. This shall include employees in jobs above grade 18 if called upon to provide mutual assistance. Mutual Assistance is defined as assisting other utilities in restoration efforts *outside* of Unitil's service territory,